

August 2023 draft BARS Cash Pages – not for implementation use

Cash-basis Note X – SBITA (Lessees)

Note X – Subscription Based Information Technology Arrangements (SBITA)

A template for this note is not available. See “Instructions to preparer:” for disclosures that may be required.

Instructions to preparer:

A government should disclose the following about its SBITA contracts (which may be grouped for purposes of disclosure), other than short-term SBITAs (SBITA contracts that have a maximum possible term of less than one year):

1. In the year of implementation, state that new accounting guidance was adopted.

Example:

During the year ended (fiscal year end), the (city/county/district) adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

2. A general description of its SBITA contracts, such as the SBITA term, the amount of the monthly (quarterly/annual) payments, cancellation clauses, significant commitments before the start of the SBITA, changes in subscription term for previously reported SBITA, etc.

Example:

The (city/county/district) makes subscription payments \$300 per month for general ledger software. The SBITA contract is for 10 years and includes the option to extend the contract for another 5 years.

3. The total amount paid for SBITAs in the current reporting period and future SBITA payments for each of the five subsequent years and in five-year increments thereafter.

Example:

The total amount paid for SBITAs in 20XX was \$3,600. As of December 31, 20XX, the future SBITA payments are as follows:

Year ended December 31	Total
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20XX	\$3,600
20XX	\$3,600
20XX	\$3,600
20XX	\$3,600
20XX	\$3,600
2026-2030	\$18,000
2031-2035	\$18,000
Total	\$54,000

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